

DAILY LEGISLATIVE UPDATE



Business matters.

Daily Legislative Update

94th Arkansas General Assembly
Wednesday, March 29, 2023 | Day 80

TODAY'S MEETINGS

The Senate convenes at 1:00 p.m., and the House convenes at 1:30 p.m. today. Visit www.arkleg.state.ar.us to access meeting schedules, floor calendars, agendas and video links to watch any of the meetings.

TODAY'S BILLS

Criminal Justice – Public Safety

SB 495 by Sen. Ben Gilmore and Rep. Jimmy Gazaway

We support this bill, which will be heard as a special order of business at 10:00 a.m. this morning in the Senate Judiciary Committee.

This bill would strike or limit parole eligibility for certain offenders. It would require offenders convicted of certain violent felonies including rape and capital murder to serve 100 percent of their prison sentences. Offenders convicted of lesser violent felonies such as second-degree murder, battery in the first degree or sexual indecency with a child would have to serve 85 percent of their sentence before being eligible for release with supervision. Along with tightening parole eligibility, the bill would increase penalties for certain serious charges.

There is also a plan to expand the number of state prison beds by 3,000 to ease the backlog of inmates held in county jails. The expansion will cost an estimated \$470 million in construction expenses and \$31 million in annual operating costs.

The bill would rebrand the Arkansas Parole Board as the Post-Prison Transfer Board and place it under the state Department of Corrections, and it would establish the Legislative Recidivism Reduction Task Force. This 19-member panel would be tasked with analyzing "the drivers of Arkansas' high recidivism rates" among other duties. The bill also includes provisions to expand victim notification, provide incarcerated parents with more time with their children and provide mental health services.

Prohibition of Covenants Not to Compete Agreements

HB 1628 by Rep. Stephen Meeks et. al and Sen. Mark Johnson

We oppose this bill, which seeks to repeal the existing state law governing non-compete agreements and replaces it with language to prohibit *all* “covenants not to compete” in the state. **This is a blanket prohibition, regardless of industry.** It is unclear whether the ban would only apply to agreements moving forward or whether it could also apply retroactively. Further, “employee” is not defined, so it is not clear whether the prohibition applies to current and *prospective* employees. The bill *does* make clear that it excludes non-solicitation and confidentiality agreements, along with agreements entered into upon the sale of a business. *However*, those terms are not defined.

This bill is on today's agenda in the House Insurance & Commerce Committee but is not expected to be considered.

***** CALL TO ACTION *****

Workers' Compensation

HB 1611 and 1612 by Rep. Josh Miller and Sen. John Payton

These two bills await consideration in the House Public Health, Welfare and Labor Committee.

HB 1612 would remove the current caps on total disability payments an injured employee and his or her dependents can receive.

HB 1611 would remove the current prohibition against the Workers' Compensation Commission approving attorneys' fees in relation to a claim on medical benefits or services awarded.

Please ask your legislators to vote NO on HB 1611 and HB 1612.

Economic Development - Retail Sales Facilities

SB 493 by Sen. Gary Stubblefield

We are very concerned about and oppose this bill, which seeks to amend the Arkansas Constitution concerning the definition of economic development projects. The bill would redefine the term "economic development project" to include facilities for retail sales, allowing a county, city, town or other municipal corporation to obtain or appropriate money for facilities for retail sales. This bill could cause a flood of requests to local governments to provide funding for a wide variety and potentially large number of retail projects.

This bill awaits consideration in the Senate Agriculture, Forestry and Economic Development Committee.

Please ask your senator to vote NO on SB 493.

STATE CHAMBER/AIA PRIORITY BILL

Throwback Rule Repeal

HB 1045 by Rep. Howard Beaty and Sen. Ben Gilmore

We support this bill, which is part of our priority agenda and seeks to repeal the throwback rule. This is a complicated tax rule that allows Arkansas to charge income tax on products that are made in Arkansas but are sold in states that do not charge income tax on the transaction for whatever reason.

This bill awaits consideration in the House Revenue and Taxation Committee.

BILLS WE OPPOSE

Unemployment Insurance

HB 1682 by Rep. Wade Andrews and Sen. Matt McKee

This bill seeks to prohibit an individual who fraudulently collects or increases unemployment insurance benefits from being eligible for unemployment insurance benefits for 10 years. It requires full repayment of fraudulently obtained benefits plus a 20 percent penalty.

We oppose this bill for multiple reasons. It creates a non-conformity issue with the U.S. Department of Labor, which can carry heavy penalties. Current law already addresses most of the issues this bill seeks to address.

This bill awaits consideration in the House Public Health, Welfare and Labor Committee.

Pharmacy Benefits Manager - Maximum Allowable Costs Lists

SB 489 by Sen. Clarke Tucker and Rep. Brandon Achor

We oppose this bill, which seeks to make changes concerning a pharmacy benefits manager's requirements regarding Maximum Allowable Cost Lists and penalties for violations related to Maximum Allowable Costs Lists. It states that pharmacies and pharmacists have a private right of action to enforce related violations. This bill would be very disruptive to negotiated health plans.

This bill has been assigned to the Senate Insurance & Commerce Committee.

Public Notice Requirements

HB 1616 by Rep. Frances Cavanaugh and Sen. Scott Flippo

This bill is a negotiated replacement for HB 1399. It seeks to repeal numerous newspaper publication requirements for notices of various transactions. Although this bill was the result of negotiations, some parties moved to neutral, and some remain opposed.

This bill awaits consideration in the House City, County, & Local Affairs Committee.

Pharmaceutical Executives – Felony for Drug Misinformation

SB 7 and SB 8 by Sen. Bryan King

We oppose these bills because of the precedent they would set in creating a felony for actions by corporate executives. We also have concerns about the bills' attempt to apply Arkansas criminal law to individuals who are not in Arkansas. **SB 7** applies to prescription drugs, and **SB 8** applies to vaccines.

These bills have been assigned to the House Judiciary Committee.

Healthcare Mandate Bills with Cost Concerns

There are a series of pending health care mandate bills. Although these bills are well intentioned, they will raise healthcare costs on fully insured plans used by individual consumers and small businesses. A health insurance provider has provided us with the following cost estimates on these bills.

HB 1261 by Rep. Lee Johnson would mandate coverage for ambulance service to triage, treat and transport a patient to alternative destinations. The estimated cost is \$4.5 to \$6.8 million.

This bill passed the Senate 34 to 0 yesterday and has been returned to the House for consideration of an amendment adopted in the Senate.

HB 1121 by Rep. Fred Allen would mandate coverage for biomarker testing for early detection of and management of cancer diagnoses. The estimated cost is \$14.3 to \$19.3 million.

This bill received a Do Pass recommendation by the Senate Insurance & Commerce Committee yesterday and is on today's Senate Calendar.

HB 1252 by Rep. Lee Johnson would require coverage for prosthetic devices for athletics or recreation and prosthetic devices for showering or bathing.
This bill awaits consideration in the Senate Insurance & Commerce Committee.

SB 137 by Sen. Missy Irvin would mandate coverage for necessary maxillofacial services. The estimated cost is \$7 to \$9.4 million.
This bill awaits consideration in the Senate Insurance & Commerce Committee.

SB 181 by Sen. Kim Hammer would mandate coverage for use of IVIG PANS/PANDA. The estimated cost is \$14.5 million or double this amount if adult population is included.
This bill awaits consideration in the Senate Insurance & Commerce Committee.

Career and Technical Courses

SB 470 and SB 369 by Sen. Jim Dotson and Rep. Rick Beck

These bills seek to require the Division of Career and Technical Education to review new and existing career and technical pathways to determine which courses meet criteria for weighted credit. It would also require the Division of Career and Technical Education to publish a list of approved pathways each year.

We oppose these bills because they weaken Arkansas's nationally leading computer science education requirement.

SB 369 failed in the House Education Committee yesterday. **SB 470** passed in the Senate Education Committee this morning and awaits consideration on the Senate floor.

BILLS WE SUPPORT

Possessory Liens

HB 1563 by Rep. Brian Evans and Sen. Ricky Hill

We support this bill, which aims to change towing practices in Arkansas by creating a cargo exception within towing policy to prevent "hostage cargo." The bill would allow cargo being transported for hire to no longer be held hostage by tow operators while the truck owner and their insurance provider negotiate and pay for the tow service. Transport companies would be able to transload the cargo to another trailer and make delivery to their customer.

This bill awaits consideration in the Senate Transportation, Technology & Legislative Affairs Committee.

Arkansas Adult Diploma Program

HB 1529 by Rep. David Ray and Sen. Breanne Davis

We support this bill, which seeks to establish the Arkansas Adult Diploma Program. It would require the Department of Education to annually issue a request for public, nonprofit, or other entities to apply to become approved program providers in the Arkansas Adult Diploma Program. It also would require the Department of Education to announce the approved program providers no later than October 15 annually. An approved program provider may begin enrolling students starting no later than November 15 of each year.

This bill is expected to be considered this morning in the House Education Committee.

BILL TRACKING

1162 Bills Filed | Senate bills: 15 new - 496 filed | House bills: 43 new - 734 filed
State Chamber Tracking Bills & Resolutions: 497 – 30 bills added today

To view all tracked bills by category, click [State Chamber AIA Bill Tracking Categories](#)

2023 STATE CHAMBER AIA LEGISLATIVE AGENDA

LEGISLATIVE SESSION INFORMATION

To view schedules, calendars, bill information, and legislator information, click www.arkleg.state.ar.us.

LEGISLATIVE MESSAGE CENTER

House of Representatives: 501-682-6211
Senate: 501-682-2902

LIVE STREAMING FROM THE CAPITOL

The House and Senate have links to live streaming of their committee meetings and floor session online.

- House: <https://www.arkansashouse.org/>
- Senate: <http://www.arkansas.gov/senate/>

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